

1 CABINET FOR HEALTH AND FAMILY SERVICES

2 Department for Medicaid Services

3 Division of Administration and Financial Management

4 (Amendment)

5 907 KAR 1:650. Trust and transferred resource requirements for Medicaid.

6 RELATES TO: KRS 205.520, 205.6322, Public Law 109-171

7 STATUTORY AUTHORITY: KRS 194A.030(2), 194A.050(1), 205.520(3), 205.6322,
8 42 C.F.R. 435, 42 U.S.C. 1396a, p

9 NECESSITY, FUNCTION, AND CONFORMITY: [~~EO 2004-726, effective July 9,~~
10 ~~2004, reorganized the Cabinet for Health Services and placed the Department for~~
11 ~~Medicaid Services and the Medicaid Program under the Cabinet for Health and Family~~
12 ~~Services.] The Cabinet for Health and Family Services has responsibility to administer
13 the Medicaid program. KRS 205.520(3) authorizes the cabinet, by administrative
14 regulation, to comply with any requirement that may be imposed or opportunity
15 presented by federal law for the provisions of medical assistance to Kentucky's indigent
16 citizenry. KRS 205.6322 requires the cabinet to promulgate administrative regulations
17 to prohibit the sheltering of assets in medical assistance long-term-care cases. This
18 administrative regulation establishes trust and transferred resource requirements for
19 Medicaid eligibility determinations.~~

20 Section 1. Definitions.

21 (1) "Baseline date" means the date the institutionalized individual was

1 institutionalized and applied for Medicaid.

2 (2) "Cabinet" means the Cabinet for Health and Family Services.

3 (3) "Fair market value" means an estimate of the value of an asset if sold at the
4 prevailing price at the time it was actually transferred.

5 (4) [(3)] "Income" means money received from:

6 (a) Statutory benefits, for example Social Security, Veterans Administration pension,
7 black lung benefits, or railroad retirement benefits;

8 (b) Pension plans;

9 (c) Rental property;

10 (d) Investments; or

11 (e) Wages for labor or services.

12 (5) [(4)] "Institutionalized individual" means an individual with respect to whom
13 payment is based on a level of care provided in a nursing facility (NF) and who is:

14 (a) An inpatient in:

15 1. A nursing facility (NF);

16 2. An intermediate care facility for individuals with mental retardation or a
17 developmental disability [~~the mentally retarded and developmentally disabled~~] (ICF-MR-
18 DD); or

19 3. A medical institution; or

20 (b) Receiving home and community based services (HCBS).

21 (6) [(5)] "Qualifying Income Trust" or "QIT" means an irrevocable trust established
22 for the benefit of an identified individual in accordance with 42 U.S.C. 1396p(d)(4)(B).

23 (7) [(6)] "Resources" mean money and other personal property or real property that

1 an institutionalized individual or institutionalized individual's spouse:

2 (a) Owns;

3 (b) Has the right, authority or power to convert to cash; and

4 (c) Is not legally restricted from using for support and maintenance.

5 (8) [~~(7)~~] "Transferred resource factor" means \$2,560 for the year 2003, to be
6 increased annually by the Social Security Administration's Cost-of-living Adjustment
7 (COLA).

8 (9) [~~(8)~~] "Trust" means a legal instrument or agreement valid under Kentucky state
9 law in which:

10 (a) A grantor transfers property to a trustee or trustees with the intention that it be
11 held, managed, or administered by the trustee or trustees for the benefit of the grantor
12 or certain designated individuals or beneficiaries; and

13 (b) A trustee holds a fiduciary responsibility to manage the trust's corpus and income
14 for the benefit of the beneficiaries.

15 (10) [~~(9)~~] "Uncompensated value" means the difference between the fair market
16 value at the time of transfer, less any outstanding loans, mortgages, or other
17 encumbrances on the asset, and the amount received for the asset.

18 Section 2. Transferred Resources.

19 (1) Transfer of resources on or before August 10, 1993.

20 (a) If an institutionalized individual applies for Medicaid, a period of ineligibility shall
21 be computed if during the thirty (30) month period immediately preceding the
22 application, but on or before August 10, 1993, the individual or the spouse disposed of
23 property for less than fair market value.

1 (b) The period of ineligibility shall begin with the month of the transfer and shall be
2 equal to the lesser of:

3 1. Thirty (30) months; or

4 2. The number of months derived by dividing the total uncompensated value of the
5 resources transferred by the transferred resource factor at the time of the application.

6 (2) Transfer of resources after August 10, 1993 and before February 8, 2006.

7 (a) If an institutionalized individual applies for Medicaid, a period of ineligibility for NF
8 or ICF-MR-DD services, or HCBS shall be computed if:

9 1. During the thirty-six (36) month period immediately preceding the baseline date,
10 but after August 10, 1993, assets were transferred; or

11 2. During the sixty (60) month period immediately preceding the baseline date, but
12 after August 10, 1993, a trust was created whereby the individual or the spouse
13 disposed of property for less than fair market value.

14 (b) The period of ineligibility shall:

15 1. Begin with the month of the transfer; and

16 2. ~~shall~~ Be equal to the number of months derived by dividing the total
17 uncompensated value of the resources transferred by the transferred resource factor at
18 the time of the application.

19 (3) Transfer of resources on or after February 8, 2006.

20 (a) If an institutionalized individual applies for Medicaid, a period of ineligibility for
21 NF or ICF-MR-DD services, or HCBS shall be computed if:

22 1. During the sixty (60) month period immediately proceeding the baseline date, but
23 on or after February 8, 2006, assets were transferred; or

1 2. During the sixty (60) month period immediately preceding the baseline date, but
2 on or after February 8, 2006, a trust was created whereby the individual or the spouse
3 disposed of property for less than fair market value.

4 (b) The period of ineligibility shall:

5 1. Begin with the month of Medicaid eligibility for NF or ICF-MR-DD services, or
6 HCBS; and

7 2. Be equal to the number of months derived by dividing the total uncompensated
8 value of the resources transferred by the transfer of resource factor at the time of
9 application.

10 (4) [(e)] Jointly held resources shall be considered pursuant to 42 U.S.C.
11 1396p(c)(3).

12 (5) [(d) Effective September 1, 2003,] The addition of another individual's name to a
13 deed shall constitute a transfer of resources.

14 (6) [(e)] If a spouse transfers resources that result in an ineligibility period for the
15 institutionalized spouse, the ineligibility period shall be apportioned between the
16 spouses if the spouse is subsequently institutionalized and a portion of the ineligibility
17 period against the institutionalized spouse remains. If one (1) spouse is no longer
18 subject to the ineligibility period, the remaining ineligibility period applicable to both
19 spouses shall be served by the remaining spouse.

20 (7) [(f)] The following policies shall be applicable with regard to annuities. A
21 determination shall be completed with regard to the purpose of the purchase of an
22 annuity in order to determine whether resources were transferred for less than fair
23 market value.

1 1. If the expected return on the annuity is commensurate with the life expectancy of
2 the beneficiary, the annuity shall be actuarially sound and shall not be considered a
3 transfer of resources for less than fair market value.

4 2. In accordance with 42 U.S.C. 1396p(c)(1)(f), the purchase of an annuity occurring
5 on or after February 8, 2006 shall be treated as the disposal of assets for less than fair
6 market value unless the cabinet is named:

7 a. As the remainder beneficiary in the first position for at least the total amount of
8 medical assistance paid on behalf of the annuitant; or

9 b. A beneficiary in the second position after the community spouse or a minor or
10 disabled child; and

11 c. A beneficiary in the first position if the community spouse or a representative of
12 the child disposes of any remainder for less than fair market value.

13 ~~(8) [If the annuity purchase is considered a transfer of resources for less than fair~~
14 ~~market value, the ineligibility period shall be assessed retroactive to the date the annuity~~
15 ~~was purchased.~~

16 ~~(g) For an eligibility determination on or after March 24, 2003,] The purchase of an~~
17 ~~annuity shall be considered a transfer of resources if:~~

18 1. The expected return on the annuity is not commensurate with the life expectancy
19 of the beneficiary, thus making the annuity not actuarially sound; and

20 2. The annuity does not provide substantially equal monthly payments and has a
21 balloon or deferred payment of principal or interest. Payments shall be considered
22 substantially equal if the total annual payment in any year varies by five (5) percent or
23 less from the payment in the previous year.

1 (9) [~~(4)~~] The following policies shall apply regarding [~~be applicable with regard to~~] the
2 transfer of home property:

3 1. Transfer of home property to the following individuals shall not constitute a
4 transfer of resources for less than fair market value. Home property may be transferred
5 to:

6 a. The spouse;

7 b. A child who is:

8 (i) Under age twenty-one (21); or

9 (ii) Blind or disabled;

10 c. A sibling who has:

11 (i) Equity interest in the home; and

12 (ii) Lived with the institutionalized individual for one (1) year prior to
13 institutionalization; or

14 d. A child who:

15 (i) Resided with the institutionalized individual for two (2) years prior to
16 institutionalization; and

17 (ii) Provided care to the individual to prevent institutionalization.

18 2. Transfer of home property to any individual not listed in subsection (1) of this
19 section shall constitute a transfer of resources for less than fair market value.

20 (10) [~~(3)~~] For multiple or incremental transfers prior to February 8, 2006, the
21 ineligibility periods shall accrue and run consecutively beginning with the month of the
22 initial transfer.

23 (11) For multiple or incremental transfers made on or after February 8, 2006, the

1 ineligibility period shall begin with the month of Medicaid eligibility for NF or ICF-MR-DD
2 services, or HCBS.

3 (12) [~~4~~] An individual shall not be ineligible for Medicaid or an institutional type of
4 service by virtue of subsection (1), (2) or (3) [~~or (2)~~] of this section to the extent that the
5 conditions specified in 42 U.S.C. 1396p(c)(2)(B), (C) and (D) or 907 KAR 1:655 are met,
6 nor shall an individual be ineligible for Medicaid or an institutional type of service due to
7 transfer of resources for less than fair market value except in accordance with this
8 section.

9 (13) [~~5~~] Disposal of a resource.

10 (a) The disposal of a resource, including liquid assets, at less than fair market value
11 shall be presumed to be for the purpose of establishing eligibility unless the individual
12 shows the transfer was in accordance with 42 U.S.C. 1396p(c)(2)(B) or (C) or presents
13 convincing evidence that the disposal was exclusively for some other purpose.

14 (b) The value of the transferred resource shall be disregarded if:

- 15 1. The transfer is in accordance with 42 U.S.C. 1396p(c)(2)(B) or (C);
- 16 2. It is for some reason other than to qualify for Medicaid; or
- 17 3. The transferred resource was not a homestead and was considered an excluded
18 resource at the time it was transferred.

19 (c) If the resource was transferred for an amount equal to the assessed value for tax
20 purposes, the resource shall be considered as being disposed of for fair market value.

21 (d) If the assessed agricultural value is used for tax purposes, the transfer shall be
22 required to be for an amount equal to the fair market value.

23 (14) [~~6~~] After determining that the purpose of a [~~the~~] transfer was to become or

1 remain Medicaid eligible, the cabinet shall:

2 (a) Add the uncompensated equity value of the transferred resource to other
3 currently held resources to determine if retention of the property would have resulted in
4 ineligibility. For this purpose, the resource considered available shall be the type of
5 resource it was prior to transfer, e.g., if nonhomestead property was transferred, the
6 uncompensated equity value of the transferred property shall be counted against the
7 permissible amount for nonhomestead property. [;]

8 (b) If retention of the resource would not have resulted in ineligibility, the value of the
9 transferred resource shall be disregarded.

10 (c) [~~(7)~~] If retention would result in ineligibility, the cabinet shall compute a period of
11 ineligibility for Medicaid or an institutional type of service as provided for in subsections
12 (1), (2), and (3) [~~and (2)~~] of this section.

13 (15) [~~(8)~~] The uncompensated value may be excluded from consideration if good
14 cause or undue hardship exists. A waiver of consideration of the uncompensated
15 amount shall be granted subject to the following criteria:

16 (a) Good cause shall be determined to exist if an expense or loss was incurred by
17 the individual or family group due to:

- 18 1. A natural disaster, for example fire, flood, storm or earthquake;
- 19 2. Illness resulting from accident or disease;
- 20 3. Hospitalization or death of a member of the immediate family; or
- 21 4. Civil disorder or other disruption resulting in vandalism, home explosions, or theft
22 of essential household items.

23 (b) Undue hardship shall be determined to exist if application of transferred resource

1 penalties:

2 1. Deprive an individual of medical care which shall result in an endangerment to the
3 individual's health and life; or

4 2. Deprive an individual of food, clothing, shelter, or other necessities of life.

5 (c)1. The exclusions shall not exceed the amount of the incurred expense or loss;

6 and

7 2. [~~and~~] The amount of the uncompensated value to be excluded shall not include
8 any amount which is payable by Medicaid, Medicare, or other insurance.

9 (16) [~~(9)~~] Disclaiming of an inheritance by an [~~the~~] individual entitled to the
10 inheritance shall be considered a transfer of resources.

11 Section 3. Treatment of Trusts.

12 (1) Regarding a Medicaid qualifying trust [~~With regard to Medicaid qualifying trusts~~]
13 created on or before August 10, 1993, if an individual, or the spouse for the individual's
14 benefit, creates, other than by will, a trust or similar legal device with amounts payable
15 to the same individual, the trust shall be considered a "Medicaid qualifying trust" if the
16 trustee of the trust is permitted to exercise discretion as to the amount of the payments
17 from the trust to be paid to the individual.

18 (a) In this circumstance the amount considered available to the trust beneficiary shall
19 be the maximum amount the trustee may, using the trustee's discretion, pay in
20 accordance with the terms of the trust, regardless of the amount actually paid; or

21 (b) The cabinet may consider as available only that amount actually paid if to do
22 otherwise would create an undue hardship upon the individual in accordance with
23 Section 2(15)(b) [~~(8)(b)~~] of this administrative regulation.

1 (2) For purposes of determining eligibility in accordance with Section 2(2) of this
2 administrative regulation regarding [~~with regard to~~] trust agreements, the rules provided
3 for under 42 U.S.C. 1396p(d)(3) shall be met and shall apply to a trust created after
4 August 10, 1993 and established by an individual subject to 42 U.S.C. 1396p(d)(4).

5 (a) An individual shall be considered to have established a trust if assets of the
6 individual were used to form all or part of the corpus of the trust and if any of the
7 individuals described under 42 U.S.C. 1396p(d)(2)(A)(i), (ii), (iii), and (iv) established the
8 trust other than by a will.

9 (b) If the corpus of a trust includes income or resources of any other person or
10 persons, the trust rules shall apply to the portion of the trust attributable to the income or
11 resources of the individual. In determining countable income and resources, income and
12 resources shall be prorated based on the proportion of the individual's share of income
13 or resources.

14 (c) Subject to 42 U.S.C. 1396p(d)(4), the trust provisions in 42 U.S.C. 1396p(d) shall
15 be applied in a manner consistent with 42 U.S.C. 1396p(d)(2)(C).

16 (d) Payments made from revocable or irrevocable trusts to or on behalf of an
17 individual shall be considered as income to the individual with the exception of
18 payments for medical costs. Payments for medical care or medical expenses shall be
19 excluded as income.

20 (e) A trust which is considered to be irrevocable and terminates if action is taken by
21 the grantor shall be considered a revocable trust.

22 (f) An irrevocable trust which may be modified or terminated by a court shall be
23 considered a revocable trust.

1 (g) If payment from a revocable or irrevocable trust may be made under any
2 circumstance, the amount of the full payment that could be made shall be considered as
3 a resource including amounts that may be disbursed in the distant future.

4 (h) Placement of an excluded resource into an irrevocable trust shall not change the
5 excluded nature of the resource.

6 (i) Placement of a countable resource into an irrevocable trust shall constitute a
7 transfer of resources for less than fair market value.

8 (3) The treatment of trusts established in this section of this administrative regulation
9 shall be waived if undue hardship criteria is met as established in Section
10 2(15)(b)~~[(8)(b)]~~ of this administrative regulation.

11 (4) Regarding subsection (1), (2), or (3) of this section, ~~[With regard to subsection (1)~~
12 ~~or (2)] of this section~~, for trusts created on or prior to August 10, 1993, any resources
13 transferred into a previously established trust after August 10, 1993 shall be considered
14 a transfer of resources and subject to an ineligibility period as provided for under
15 Section 2 of this administrative regulation using the thirty-six (36) month transfer rules.

16 (5) ~~[Beginning September 1, 2003,~~ An individual may create a qualifying income
17 trust ~~[(QIT)]~~, in accordance with this subsection, to establish financial eligibility for
18 Medicaid.

19 (a) A transfer of resources shall not apply to a qualifying income trust if:

20 1. The trust is established in Kentucky for the benefit of an individual;

21 2. The trust is composed solely of the income of the individual, including
22 accumulated interest in the trust;

23 3. Upon the death of the individual, the department receives all amounts remaining

1 in the trust, up to an amount equal to the total medical assistance paid on behalf of the
2 individual by Medicaid; and

3 4. The trust is irrevocable.

4 (b) The money in a qualifying income trust shall:

5 1. Be maintained in a separate account; and

6 2. Not be commingled with other checking or savings accounts.

7 (c) The corpus of a qualifying income trust and interest generated by the trust shall
8 not be counted as available income for an individual for the determination of Medicaid
9 eligibility.

10 (d) A qualifying income trust shall state that the funds may only be used for:

11 1. Valid medical expenses, including patient liability; or

12 2. The community spouse income allowance established in accordance with 907
13 KAR 1:655.

14 (e) All expenditures from a qualifying income trust shall require verification by the
15 department that they are allowable expenditures.

16 (f) Allowable payments from a qualifying income trust shall be made:

17 1. Every month; or

18 2. By the end of the month following the month the funds were placed in the trust.

19 (g) When payments by the qualifying income trust are made for medical care, the
20 individual shall be considered to have received fair market value for income placed in
21 the trust.

907 KAR 1:650

REVIEWED:

Date

Glenn Jennings, Commissioner
Department for Medicaid Services

Date

Mike Burnside, Undersecretary
Administrative and Fiscal Affairs

APPROVED:

Date

Mark D. Birdwhistell, Secretary
Cabinet for Health and Family Services

907 KAR 1:650

A public hearing on this administrative regulation shall, if requested, be held on October 23, 2006, at 9:00 a.m. in the Health Services Auditorium, Health Services Building, First Floor, 275 East Main Street, Frankfort, Kentucky. Individuals interested in attending this hearing shall notify this agency in writing by October 16, 2006, five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. The hearing is open to the public. Any person who attends will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to attend the public hearing, you may submit written comments on the proposed administrative regulation. You may submit written comments regarding this proposed administrative regulation until close of business October 31, 2006. Send written notification of intent to attend the public hearing or written comments on the proposed administrative regulation to:

CONTACT PERSON: Jill Brown, Office of Legal Services, 275 East Main Street 5 W-B, Frankfort, KY 40601, (502) 564-7905, Fax: (502) 564-7573

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Administrative Regulation #: 907 KAR 1:650

Cabinet for Health and Family Services

Department for Medicaid Services

Agency Contact Person: Stuart Owen or Stephanie Brammer-Barnes (502-564-6204)

- (1) Provide a brief summary of:
 - (a) What this administrative regulation does: This administrative regulation establishes trust and transferred resource requirements for Medicaid eligibility determinations.
 - (b) The necessity of this administrative regulation: This administrative regulation is necessary to establish trust and transferred resource requirements for Medicaid eligibility determinations.
 - (c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation fulfills requirements implemented in the authorizing statutes by establishing trust and transferred resource requirements for Medicaid eligibility determinations.
 - (d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation assists in the effective administration of the statutes by establishing trust and transferred resource requirements for Medicaid eligibility determinations.

- (2) If this is an amendment to an existing administrative regulation, provide a brief summary of:
 - (a) How the amendment will change this existing administrative regulation: This amendment lengthens the period of Medicaid ineligibility for nursing facility services or other long-term care services from thirty-six (36) months to sixty (60) months if an applicant makes a transfer of assets on or after February 8, 2006. This amendment also treats the purchase of an annuity occurring on or after February 8, 2006 as the disposal of assets for less than fair market value unless the Cabinet for Health and Family Services is named as the beneficiary. These changes ensure compliance with Section 6011 and Section 6012 of the Deficit Reduction Act of 2005 (DRA) respectively.
 - (b) The necessity of the amendment to this administrative regulation: This amendment is necessary to implement Section 6011 and Section 6012 of the DRA.
 - (c) How the amendment conforms to the content of the authorizing statutes: This amendment conforms to the content of Public Law No. 109-171, Section 6011 and Section 6012 by implementing new asset transfer rules established by the DRA.
 - (d) How the amendment will assist in the effective administration of the statutes: The amendment will assist in the effective administration of the statutes by implementing new asset transfer rules established by the DRA.

- (3) List the type and number of individuals, businesses, organizations, or state and local government affected by this administrative regulation: This amendment will affect each Medicaid applicant (for nursing facility services or other long-term care services) who makes a transfer of resources or purchases an annuity on or after February 8, 2006.
- (4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:
 - (a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: Medicaid applicants for nursing facility or other long-term care services will be subject to the new federal asset transfer rules established by the DRA and implemented in this administrative regulation. The DRA extended the resource transfer look back period from thirty-six (36) months to sixty (60) months.
 - (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3). This amendment conforms to the content of Public Law No. 109-171, DRA, Section 6011 and Section 6012, and does not impose a cost on regulated entities.
 - (c) As a result of compliance, what benefits will accrue to the entities identified in question (3). An applicant for Medicaid nursing facility or other long-term care services may gain access to such care if he or she complies with the amendment authorized by Public Law No. 109-171.
- (5) Provide an estimate of how much it will cost to implement this administrative regulation:
 - (a) Initially: The department anticipates savings as a result of the new federal requirement; however, cannot accurately predict savings at this time given that it lacks potential applicant asset transfer information.
 - (b) On a continuing basis: The department anticipates savings as a result of the new federal requirement; however, cannot accurately predict savings at this time given that it lacks potential applicant asset transfer information.
- (6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: The sources of revenue to be used for implementation and enforcement of this administrative regulation are federal funds authorized under the Social Security Act, Title XIX and matching funds of general fund appropriations.
- (7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: Neither an increase in fees or funding will be necessary to implement this administrative regulation.
- (8) State whether or not this administrative regulation establishes any fees or directly

or indirectly increases any fees: This administrative regulation does not establish or increase any fees.

- (9) Tiering: Is tiering applied? (Explain why tiering was or was not used)

Tiering was not appropriate in this administrative regulation because the administrative regulation applies equally to all those individuals or entities regulated by it. Disparate treatment of any person or entity subject to this administrative regulation could raise questions of arbitrary action on the part of the agency. The “equal protection” and “due process” clauses of the Fourteenth Amendment of the U.S. Constitution may be implicated as well as Sections 2 and 3 of the Kentucky Constitution.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Reg NO: 907 KAR 1:650

Contact Person: Stuart Owen or
Stephanie Brammer-Barnes
(564-6204)

1. Does this administrative regulation relate to any program, service, or requirements of a state or local government (including cities, counties, fire departments or school districts)?

Yes X No _____

If yes, complete 2-4.

2. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? This amendment will affect each Medicaid applicant (for nursing facility services or other long-term care services) who makes a transfer of resources or purchases an annuity on or after February 8, 2006. This amendment will also affect the Medicaid program administered by the Cabinet for Health and Family Services.
3. Identify each state or federal regulation that requires or authorizes the action taken by the administrative regulation. This amendment is required by section 6011 and 6012 of the Deficit Reduction Act of 2005 (Public Law No. 109-171).
4. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.
 - (a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? DMS anticipates savings as a result of the new federal requirement; however, cannot accurately predict savings at this time.
 - (b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? DMS anticipates savings as a result of the new federal requirement; however, cannot accurately predict savings at this time.
 - (c) How much will it cost to administer this program for the first year? This amendment will not result in additional costs during the first year of program administration.
 - (d) How much will it cost to administer this program for subsequent years? This amendment will not result in additional costs during subsequent years of program administration.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-): _____

Expenditures (+/-): _____

Other Explanation: No additional expenditures are necessary to implement this amendment.